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MEDICARE PART D

NEWS

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STARK OPENING STATEMENT AT A HEARING ON BENEFICIARY PROTECTIONS IN MEDICARE PART D

WASHINGTON, D.C. -- Representative Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on beneficiary protections in Medicare Part D.

"Last month, we had an opportunity to focus a lot of attention on the Part D Low Income Subsidy (LIS). Today, we continue our look at the Part D program, taking a much broader look at how Part D is working for beneficiaries. Unlike the few sessions on this in the previous Congress, today's hearing will not be a cheerleading session. Instead, I hope this hearing will lay the groundwork for improvements to Part D that may be included in the Medicare sections of forthcoming health legislation we hope to move this summer. This program may be new, but that doesn't mean we can't acknowledge its flaws and make it better.

"In a perfect world, today's hearing would focus on creating a Part D plan run by Medicare that would negotiate for lower prices and compete against the private plans. We could set up a situation similar to what happens now for medical benefits, with Medicare offering its coverage and private plans available for folks who opt to go down that road. I know that proposal isn't yet ripe, but I hope we can at least talk about standardizing Part D products so beneficiaries are better able to compare the 50 or more plans available in their communities. As we know, the standardization model has been quite successful in the Medigap market.

"One of the most basic requirements for a functional private market is an informed consumer. Reams of research show that too many options are overwhelming. The private plans are aware of this, and thus push past the acceptable limits of marketing in an effort to scoop up senior citizens and lock in their market share. Inertia is a powerful force for anyone, and especially for those who are faced with too many choices. We desperately need to bring some order to this market.

"As we all know, Part D had some serious growing pains in 2006. That is to be expected of any new program of this size. We'll hear today that some of these problems have been fixed, but we'll also hear from our witnesses that beneficiaries still have major concerns with Part D.

"Enrollment problems continue to be a huge area of concern for beneficiaries and advocates alike. There are a number of technical issues that pose real problems to real people with respect to maintaining and changing Part D status. This is of particular concern to dual-eligible beneficiaries and I look forward to GAOs testimony on that issue.

"Even when beneficiaries are properly signed up for a plan, some still have difficulty obtaining appropriate medicines. We'll hear from Dr. O'Brien that HIV/AIDS patients often struggle to get needed medications even though plans are required to cover all the antiretroviral drugs as one of the so-called "protected classes."

"Beneficiaries also face difficulties trying to appeal improper enrollment decisions or wrongful denials of necessary medications. We'll hear today that many beneficiaries never even learn about the appeals process and those that do are often unable to navigate it without professional help. Streamlining this process would make Part D work better for beneficiaries and providers.

"In sum, we have an opportunity to learn about what is working and what is not working in Part D. We even have one of Part D's largest participants here to provide their suggestions on how to make the program work better. I thank them for agreeing to join us today, and I hope to offer them some suggestions as well!

"I hope we can capitalize on this opportunity and work in a bipartisan fashion to make improvements to Part D that will improve the program for beneficiaries and taxpayers alike.

"I look forward to the testimony of all our witnesses, and I yield to Mr. Camp for any opening statement he'd like to make."

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